

LETTERS

THE WAGES FUND IN THE SOVIET UNION

Dear Sir:

In their recent review article, "Bergson and Jasny on the Soviet Economy,"¹ Messrs. Miller and Nove referred to "one point" on which Bergson "is certainly wrong: the pay of cooperative artisans, which he excludes from the wages fund, is included within it; there was strong evidence on this point before, but there is no doubt whatever about it now, since Margolin in *Finansy i kredit* (No. 10 of 1953) says so twice and quite unequivocally."²

Messrs. Miller and Nove are certainly right about the *current* composition of the wages fund. Pay of cooperative artisans *is* included. But this is irrelevant. The monograph reviewed dealt only with 1937, not with later years; and in 1937 earnings of cooperative members were *not* included in the wages fund.

My evidence regarding the composition of the wages fund in 1937 was taken from a monograph written in 1939 by Margolin,³ the same Soviet author whose article in 1953 was cited by the reviewers. In that monograph he referred to the TsUNKhU⁴ instructions of 1937 for wages fund accounting; and after listing the wage payments covered by those instructions, he noted others which it was necessary to add in order to calculate a comprehensive wages fund (*polnyj fond zarabotnoj platy*).⁵ None of the payments listed there referred to earnings of cooperative artisans.

Similarly, in computing a comprehensive (*polnyj*) wages fund from Gosbank data, Margolin noted that it was necessary to add to the category of "planned wage payments" certain other payments for work. Although earnings of cooperative artisans were listed, together with five other sources of income, under a second Gosbank category of "other forms of payment for work," those earnings were *not* among the other payments to be added.⁶ That the exclusion was no oversight was attested by an alternate method given for computing the wages fund from Gosbank data: From the sum of the two Gosbank categories noted above, "it is necessary to deduct . . . payments for work to members of handicraft-industrial artels and other types of cooperatives and bonus payments to members from artel profits."⁷

It seems quite clear that at some time after 1939 or 1940, Soviet statistical practices changed: A Soviet statistical text published in 1944⁸ noted that

¹ This Journal, April, 1954, pp. 215-26.

² *Ibid.*, p. 221.

³ *Voprosy balansu deneznykh dokhodov i raskhodov naselenija* (Moskva, 1939).

⁴ TsUNKhU is the Russian abbreviation for "Central Administration of National Economic Accounting."

⁵ Margolin, *op. cit.*, pp. 42-46.

⁶ *Ibid.*, pp. 46-48.

⁷ *Ibid.*, p. 49. A similar statement was found also in his monograph published in 1940 under a similar title (*Balans deneznykh dokhodov i raskhodov naselenija*), p. 52. Note also that on p. 8 of the 1940 edition, in a table on money incomes in 1934 and 1938, earnings of cooperative artisans were shown separately from those of wage earners and salaried employees.

⁸ *Slovar'-spravočnik po socialno-ekonomičeskoj statistike* (Moskva, 1944), p. 213.

earnings of cooperative artisans were included in the wages fund; and this was confirmed in an article by Margolin in 1949.⁹ Two years later that Soviet author published a revised version of his earlier monographs in which there was a passage similar to that cited from the 1939 edition, except that earnings of cooperative artisans were no longer in the list of excluded payments.¹⁰

That these payments are *now* included in the wages fund, there can be little doubt. However, a check of Margolin's latest article,¹¹ cited by the reviewers as providing conclusive evidence of Bergson's error, revealed no allusion to the year 1937, nor any indication that Margolin's earlier monographs themselves had been in error.

A. DAVID REDDING

Council on Foreign Relations
58 East 68th Street
New York, N. Y.

⁹ In *Planovoe khozjajstvo*, No. 4, p. 60.

¹⁰ *Balans deněžnykh dokhodov i raskhodov naselenija* (Moskva, 1951), pp. 74-77.

¹¹ In *Finansy i kredit*, No. 10 (1953), pp. 69-80. The passages relevant to the composition of the wages fund (see pp. 75 and 79) are both in the present tense; further, there is occasional use in the article of the phrase, "at the present time."